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Secondary loan market continues to grind higher

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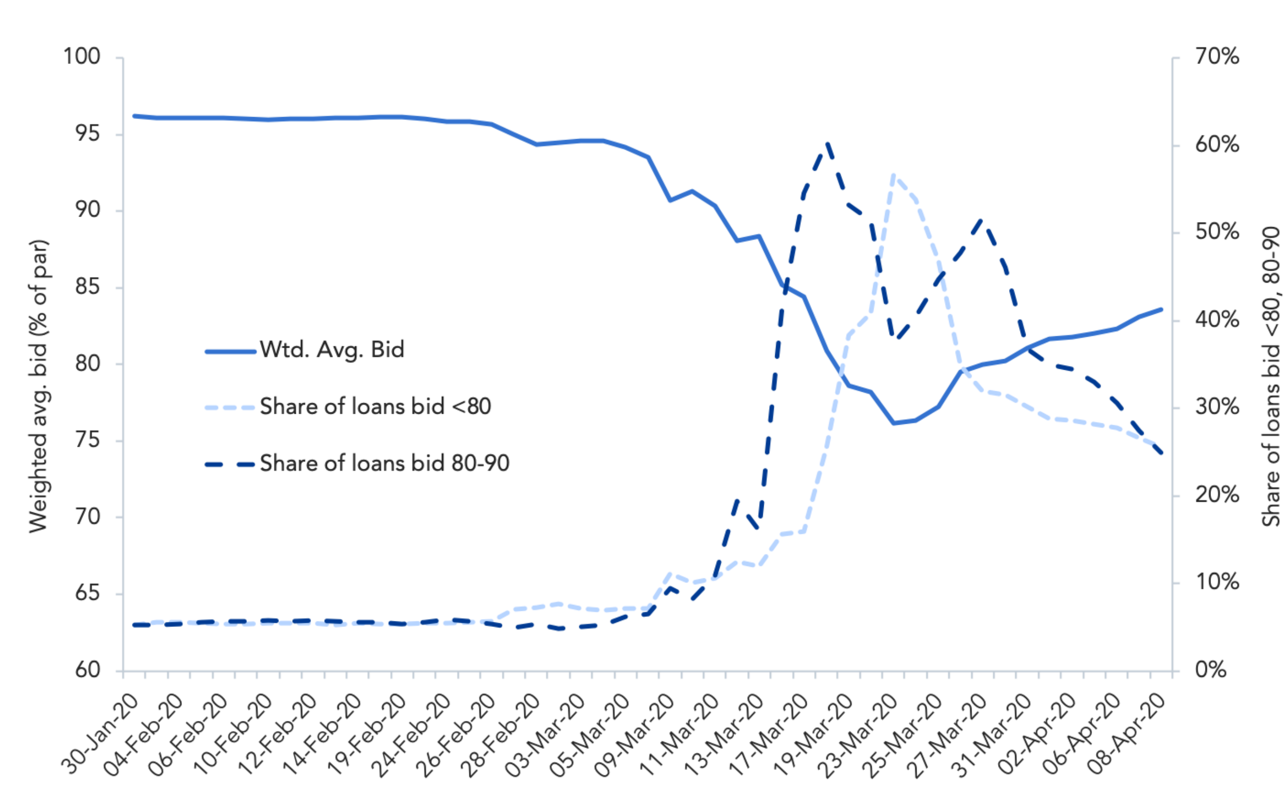

Source: Debtwire Par, Markit

The secondary loan market continues to grind higher, adding over 2 points in the last week to reach an average bid of 85.26 (as of April 14), and is now up 9 points from its March 23 low. Despite the recent rebound, prices are still down 11 points from late February when the COVID-19 pandemic first started to impact the market.

In the last 3 weeks there has been a marked decline in the share of credits priced at less than 80 cents on the dollar, with this category shrinking to 23% from a high of 57%. Despite the improved market conditions, this segment remains elevated from its level of 5% seen in late February. At the upper end, the share of loans priced above 90 has shifted higher in the last couple of weeks and now stands at 56%, up from a low of 6%.

Among the sectors that are priced at deeper discounts than the broader market is oil & gas (52.52), retail (75.68), automotive (78.66) and entertainment & leisure (81.99).